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AUG 31 2012

PUBLIC SERVICE  
COMMISSION

August 31, 2012

***Via Hand Delivery***

Hon. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
P. O. Box 615  
Frankfort, KY 40601

**Re: *A Certification of the Carriers Receiving Universal Service High Cost Support,  
Administrative Case No. 381***

Dear Mr. Derouen:

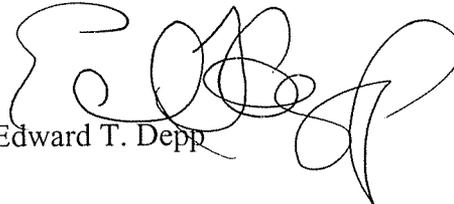
We are legal counsel to Bluegrass Wireless, LLC, Kentucky RSA #3 Cellular General Partnership, Kentucky RSA #4 Cellular General Partnership and Cumberland Cellular Partnership (collectively "Bluegrass Cellular"). In that capacity, and pursuant to the Kentucky Public Service Commission's July 8, 2005 orders in Case Nos. 2005-00017, 2005-00018, 2005-00019, and 2005-00020, enclosed please find one original and eleven (11) copies of Bluegrass Cellular's Annual Affidavit Regarding Use of Federal Universal Service Support to be filed in Administrative Case No. 381.

Please return a file-stamped copy to our courier.

Thank you, and if you have any questions, please call me.

Sincerely,

DINSMORE & SHOHL LLP

  
Edward T. Depp

Enclosure  
cc: Ron Smith

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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS ) ADMINISTRATIVE  
RECEIVING UNIVERSAL SERVICE ) CASE NO. 381  
HIGH COST SUPPORT )

**BLUEGRASS WIRELESS, LLC, KENTUCKY RSA #3 CELLULAR GENERAL  
PARTNERSHIP, KENTUCKY RSA #4 CELLULAR GENERAL  
PARTNERSHIP, AND CUMBERLAND CELLULAR PARTNERSHIP'S  
ANNUAL AFFIDAVIT REGARDING USE OF FEDERAL  
UNIVERSAL SERVICE HIGH -COST SUPPORT**

Bluegrass Wireless, LLC, Kentucky RSA #3 Cellular General Partnership, Kentucky RSA #4 Cellular General Partnership, and Cumberland Cellular Partnership (collectively "Bluegrass Cellular") hereby submit the attached affidavit regarding the use of Federal Universal Service High-Cost Support.

In order to receive federal support beginning January 1 of each year, the Kentucky Public Service Commission must file its annual certification pursuant to 47 CFR 54.314 on or before October 1 of the previous year. That filing must certify that all federal high-cost support provided to carriers within Kentucky will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. In addition, beginning in 2012, the Commission's filing must also certify that all federal high-cost support provided to carriers within Kentucky during the previous calendar year was used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

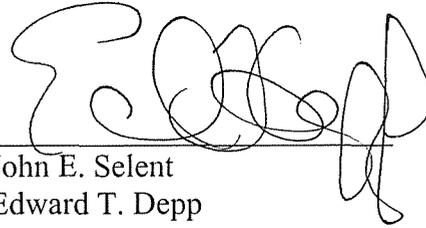
The attached affidavit should be accepted by the Kentucky Public Service Commission for the purpose of notifying the Universal Service Administrative Company ("USAC") and the

Federal Communications Commission ("FCC") that Bluegrass Cellular is eligible to receive high-cost support in accordance with 47 U.S.C. § 254(e).

Bluegrass Cellular used its Federal Universal Service Support funds received during the previous calendar year, and will use its Federal Universal Service Support funds received during the coming calendar year, only for the provision, maintenance and upgrading of facilities and services for which the support is intended, as designated by the Federal Communications Commission consistent with Section 254(e) of the Federal Telecommunications Act of 1996. These funds were used during the previous calendar year, and will be used during the coming calendar year, to provide the following supported services, as outlined in 47 C.F.R. § 54.101(a), throughout Bluegrass Cellular's service area upon reasonable request: voice grade access to the public switched network, unlimited local usage, dual tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service and access to directory assistance and toll limitation for qualifying low income customers.

In addition, in accordance with the July 8, 2005 order in Case Nos. 2005-00017, 2005-00018, 2005-00019, and 2005-00020, Bluegrass Cellular reports that it progressed with its build-out plans by placing thirteen (13) new cell sites into service last year: a) five (5) for Kentucky RSA #3 Cellular General Partnership; b) three (3) for Kentucky RSA #4 Cellular General Partnership; c) four (4) for Cumberland Cellular Partnership; and d) one (1) for Bluegrass Wireless, LLC. It also reports that it received 0.166 "trouble reports" per 1,000 handsets in 2011, and that it did not receive any unfulfilled requests for service in its service area.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John E. Selent", written over a horizontal line.

John E. Selent  
Edward T. Depp  
DINSMORE & SHOHL LLP  
2500 National City Tower  
101 South Fifth Street  
Louisville, Kentucky 40202  
(502) 540-2300  
(502) 585-2207 (facsimile)  
***Counsel to Bluegrass Wireless, LLC,  
Kentucky RSA #3 Cellular General  
Partnership, Kentucky RSA #4  
Cellular General Partnership, and  
Cumberland Cellular Partnership***

## AFFIDAVIT OF RON SMITH

I, the undersigned Ron Smith, do hereby declare under penalty of perjury as follows.

1. I am the authorized representative of Bluegrass Wireless, LLC, Kentucky RSA #3 Cellular General Partnership, Kentucky RSA #4 Cellular General Partnership, and Cumberland Cellular Partnership (collectively "Bluegrass Cellular"). I am personally familiar with the Federal Universal Service High-Cost Support received by Bluegrass Cellular and how these funds are used by Bluegrass Cellular.

2. Bluegrass Wireless, LLC was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 2005-00017 by order dated July 8, 2005.

3. Kentucky RSA #4 Cellular General Partnership was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 2005-00018 by order dated July 8, 2005.

4. Kentucky RSA #3 Cellular General Partnership was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 2005-00019 by order dated July 8, 2005.

5. Cumberland Cellular Partnership was designated as an eligible telecommunications carrier by the Kentucky Public Service Commission in Case No. 2005-00020 by order dated July 8, 2005.

6. Bluegrass Cellular estimates that it will receive a total of \$12,883,267 of Federal Universal Service High-Cost Support during the January 1, 2013 to December 31, 2013 time period. As stated above, Bluegrass Cellular consists of four entities (*see* Paragraph 1). The total amount of \$12,883,267 is composed of the following estimates per entity: a) Bluegrass Wireless, LLC will receive \$128,833; b) Kentucky RSA #4 Cellular General Partnership will receive

\$1,610,408; c) Kentucky RSA #3 Cellular General Partnership will receive \$2,447,821; and d) Cumberland Cellular Partnership will receive \$8,696,205.

7. The Federal Universal Service Support funds Bluegrass Cellular received in the preceding calendar year were used for the provision, maintenance and upgrading of facilities and services for which the support is intended, as designated by the Federal Communications Commission consistent with Section 254(e) of the Federal Telecommunications Act of 1996. These funds were used to provide the following supported services, as outlined in 47 C.F.R. § 54.101(a), which are available to any customer in Bluegrass Cellular's service area: voice grade access to the public switched network, unlimited local usage, dual tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service and access to directory assistance and toll limitation for qualifying low income customers.

8. The Federal Universal Service Support funds Bluegrass Cellular receives during 2013 will be used for the provision, maintenance and upgrading of facilities and services for which the support is intended, as designated by the Federal Communications Commission consistent with Section 254(e) of the Federal Telecommunications Act of 1996. These funds will be used to provide the following supported services, as outlined in 47 C.F.R. § 54.101(a), which are available to any customer in Bluegrass Cellular's service area: voice grade access to the public switched network, unlimited local usage, dual tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service and access to directory assistance and toll limitation for qualifying low income customers.

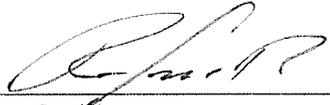
9. Bluegrass Cellular follows Federal Communications Commission Part 32 accounting requirements for regulated local exchange carriers and Part 36 separations provisions

used to determine high-cost support amounts.

10. While continuing to receive the estimated amount of Federal Universal Service support as described and using this support for the purposes as described, Bluegrass Cellular does not anticipate increasing local rates nor withdrawing any services; therefore, the comparability of rates and service between the rural areas served by Bluegrass Cellular and the urban areas of Kentucky will not be changed because of any action on the part of Bluegrass Cellular.

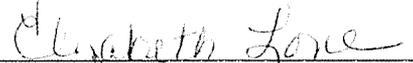
11. Bluegrass Cellular placed thirteen (13) new cell sites into service in 2011: a) five (5) for Kentucky RSA #3 Cellular General Partnership; b) three (3) for Kentucky RSA #4 Cellular General Partnership; c) four (4) for Cumberland Cellular Partnership; and d) one (1) for Bluegrass Wireless, LLC. Bluegrass Cellular received 0.166 "trouble reports" per 1,000 handsets in 2011, and did not receive any unfulfilled requests for service in its service area.

12. The matters addressed above are within my personal knowledge and are true and correct.

  
\_\_\_\_\_  
Ron Smith  
Authorized Representative  
Bluegrass Wireless, LLC, Kentucky RSA #3  
Cellular General Partnership, Kentucky RSA  
#4 Cellular General Partnership and  
Cumberland Cellular Partnership

COUNTY OF Hardin )  
 )  
STATE OF KENTUCKY )

Sworn and subscribed before me, the undersigned authority, on this the 31 day of August, 2012.

 # 454188  
\_\_\_\_\_  
Notary Public, State of Kentucky

My Commission expires 11-21-15.

(SEAL)